NOTES FOR REMARKS ON HEALTH POLICY ISSUES
FOR THE RELIGIOUS ACTION CENTER OF REFORMED JUDAISM
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GENERAL THEME

This is a frustrating time in Washington. Despite a number of problems which cry out to be addressed, we are doing little, and failing to address some significant social and health care needs in this country.

In most areas, that is reflected in a failure to act. In that regard, I want to talk about several particularly important areas:

–tobacco control
–addressing the need for the elderly to have affordable drug coverage
–providing protections through a patients' bill of rights, so people can get appropriate coverage through their health plans
–protecting the privacy of people's medical records, and
–maintaining strong support for NIH and its activities

And there is another set of issues I want to touch on: some areas where there is a danger that Congress will act, that would, in my view, do real damage:

–undoing the basic guarantee of Medicare by changing it into a voucher program, and
–closing the door on promising areas of basic research, like stem cell research, because of pressure from the right-to-like lobby.

But let's talk first about some areas where we are missing a real opportunity to act.

TOBACCO

We continue to have an epidemic of smoking among our young people in this country. We know that smoking is the largest single preventable cause of disease and death. We know that tobacco is addictive, and that once people start to stop, it is difficult–and it some cases nearly impossible–to stop.

And while we might not know everything about how to stop young people from starting to smoke, we do know a lot. We know that if we raise the price of cigarettes, they are less likely to start. We know aggressive anti-smoking campaigns can make a difference. We know that States can effectively use the funds they have recovered from the tobacco companies to stop kids

from smoking.

The suits by the States to recover State and Federal Medicaid dollars were a tremendous step forward in making the tobacco companies feel the economic penalty for their willful efforts to get people to smoke–even though they were well aware of the devastating health effects of tobacco. But we also know that those Medicaid dollars were only the tip of the iceberg in terms of what society has paid for smoking-related illnesses.

Medicare has spent billions. The Administration is pursuing legal action to recover these amounts, and I am strongly in favor of that action. Private insurers, union health and welfare plans, HMO's, Blue Cross–all of them have a case to pursue, and I hope they do it.

But when we recover the money, we should be sure we use it for its primary purpose: to stop new smokers, and help current ones to quit. I've got a bill to do that.

PRESCRIPTION DRUG COVERAGE

Medicare Coverage of Prescription Drugs

We have a critical situation in this country for elderly and disabled people who need prescription drugs:

–there is no coverage for prescription drugs in basic Medicare.

–managed care plans serving Medicare beneficiaries are reducing what coverage they do have–and employers who have provided health benefits for their retirees are doing the same

–and the elderly particularly, who are buying their drugs directly, pay substantially higher prices, making already expensive drugs even less affordable

This is an intolerable situation.

Medicare when it was established was designed to be like good private health insurance. Most plans didn't cover prescription drugs in those days. But they do now. And clearly today, prescription drugs are an absolutely critical part of health care.

I've introduced a bill with Senators Kennedy and Rockefeller, and Congressmen Dingell and Stark, to add a real drug benefit to Medicare.

–It covers 80% of the first $1700 of drug coverage, after a $200 deductible. And it provides a stop-loss on out-of-pocket expenditures of $3000. I wish it could be better, but it is a very good introduction of the benefit into the program.

–It also helps low-income people below 135% of poverty by paying their Medicare premium–so they can actually get the Medicare benefit, and by giving them Medicaid coverage for prescription drugs. That means essentially that Medicaid will fill in the deductible and cost-sharing of the Medicare prescription drug benefit, and pay for drugs after the Medicare benefit runs out.

Now this benefit will be expensive, and it will not be easy to get. The drug companies killed the benefit in Medicare before, and they will fight it again. But to me, this is a fight we have to win. The issue is not can we afford it, but how can we afford not to have it. It is a critical part of medical care.

The Allen Bill

We've been stymied for a long time in adding a prescription drug benefit to Medicare. That was why we decided to take a new tack to focus on the problem.

Starting last year, I had my staff at the Government Reform Committee develop some surveys we could do in Members' districts to highlight the high prices seniors pay for drugs. I think a lot of people were shocked by the results when they found it wasn't unusual for seniors to pay twice the price that the bigger purchasers were paying. The very people who use prescriptions the most, who live on fixed incomes, are subject to terrible price discrimination.

So we developed a very simple way to deal with this problem while we're waiting for a Medicare drug benefit to be enacted. We developed a bill, known as the Allen bill, which gives Medicare beneficiaries a card that entitles them to the best price on the drugs they buy. Pretty simple.

Is it as good as covering prescriptions under Medicare? Of course not. But it would help. And it certainly got the drug companies attention. All of a sudden they were faced with something they liked even less than putting a drug benefit in Medicare. It hasn't exactly brought them to the table yet, but it has helped focus a lot of members' attention on the problem.

PATIENTS' BILL OF RIGHTS

More and more in this country, people are getting their health care coverage through managed care organizations. When they are high quality organizations, that can be a plus. The best do manage care, and improve the quality and appropriateness of services their members get.

But this is not always the case. And more and more we hear of cases where the bottom line seems to be the factor that is governing what should be medical decisions. And people are losing confidence that they are getting the services they need and that their physician believes they should get.

People are frustrated that they don't have access to specialists when they need them, that they are left paying the bill for emergency care, that they have bureaucratic barriers imposed between them and their pediatrician or gynecologist. They even fear their physician is gagged by the plan from discussing with them all of their medical options.

The Patients' Bill of Rights establishes a series of protections in these areas. It puts in place better internal review procedures, and an impartial external review where plans won't provide the services that are medically necessary. It extends these protections to everyone, whether they are in a regular insurance plan or a so-called ERISA plan. (Those are employer-sponsored plans that are exempt from State insurance regulation because of a Federal law called ERISA, which was designed to protect employee benefit plans.)

You know, both patients and physicians are frustrated now, because under the current ERISA law, if a managed care plan refuses to pay for care that the physician recommends for the patient, and the patient dies or suffers terrible injury as a result–no one can hold the plan responsible. Well, the Patients' Bill of Rights changes that: ERISA could no longer block State laws that would allow the plan to be held liable. The bill recognizes that a right without a remedy is no right at all.

A good Patients' Rights Bill is something the President, Senator Daschle, Minority Leader Gephardt and virtually every Democrat in the House and the Senate are determined to see enacted. And many Republicans support action as well, particularly Greg Ganske, a physican on the Commerce Committee who has put himself at odds with his party's leadership to champion action.

PRIVACY OF MEDICAL RECORDS

More and more in this society, we are losing our privacy. Nowhere is this more frightening than when it involves people's personal medical records. As our medical knowledge extends into genetic testing, the issue only becomes more acute.

This is a difficult area, because of course no one wants to put barriers in the way of legitimate medical research or appropriate treatment by a health care professional. But we have to provide protections to the misuse of personal medical information.

NIH

Finally, I just want to mention the National Institutes of Health. Finally last year, we started on a track of significant increases in support for research at the NIH, an area that we have been scrimping on for a number of years.

In so many areas, we stand at the brink of medical breakthroughs. We're mapping the Human Genome, we're seeing some promising breakthroughs with stem cells and fetal tissue

research.

It is no longer unrealistic to envision the day when we can actually produce organs from single cells that will not be rejected, that we will be able to halt the progress of Parkinson's disease–in so many areas, the promise is great. We owe it to all our citizens to continue to place a high priority on support of medical research and–no less important–its dissemination.

MEDICARE

Let's take just a minute to talk about some areas where this Congress is threatening to take some actions that would be very damaging. I am particularly concerned about so-called reform of Medicare, as laid out by the Breaux Commission.

This plan has been dressed up in some pretty fancy language: it's called premium support. But let's look at what it really is: it is a voucher that takes away the long-standing commitment of Medicare to provide a defined set of health care benefits to the elderly and disabled.

It's designed to do two things: put Medicare on the road to a global budget, that can be cut to fit the budgetary needs of the moment, and to make fee-for-service Medicare, as we know it, more expensive and less affordable for the average Medicare beneficiary.

It breaks down the concept of social insurance that Medicare was built on, and makes traditional Medicare just one more insurance plan competing in the private market. But those private plans can skim the healthy and wealthy, and leave traditional Medicare trying to serve the old and the sick.

It is a radical and risky and massive change in a program that is as key to the security of our elderly as Social Security is itself. It is irresponsible, and it is wrong.

And it is not just the premium support part of the Breaux plan that is ill-conceived. In an effort to save dollars, the Breaux-Thomas plan proposed to raise the age of eligibility for Medicare to 67. We already have 43 million uninsured, and growing. We already know that older people who leave the work force in their sixties have no viable alternate insurance available. And if people <u>are</u> working, their employer plan already pays instead of Medicare. So all raising the age of eligibility does is virtually guarantee more uninsured people just at the time of life when they need coverage the most.

This whole proposal is not something that can be tinkered with and made right. It is wrong in concept and destructive to the very principles that Medicare was based on. All of you have to let Congress know that this is wrong.

STEM-CELL RESEA

Let me just close by returning to the area of medical research, and the dangers that I see it facing. I am concerned that politics surrounding abortion could lead to a ban on extremely important medical research on human stem cells. Stem cells offer tremendous potential in treating diseases including Alzheimer's, diabetes and breast cancer, and in meeting the need for organ transplants.

In fact, 33 Nobel laureates recently wrote to Congress and the President, urging continued support for this research. But opponents of this research, including the pro-life movement, argue that this research is immoral because stem cells either are potential lives or are derived from embryos.

These opponents are wrong. Stem cells cannot become viable human beings. And stopping this research would exact a terrible toll in wasted lives and needless human suffering.

CONCLUSION

Whether we are talking about health care coverage or health care research, whether we are trying to stop smoking or protect medical privacy, we are at a time of tremendous opportunity, but tremendous risk–especially with the Congress under Republican control.